

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6585**

**BILL NUMBER:** SB 331

**NOTE PREPARED:** Dec 28, 2011

**BILL AMENDED:**

**SUBJECT:** Choice Scholarship Eligibility.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that a sibling of a student who is receiving a Choice Scholarship is eligible to receive a Choice Scholarship without first attending two semesters in a public school or receiving a scholarship from a scholarship-granting organization.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** The bill could increase the state expenditures for the Choice Scholarship in the short term by allowing siblings to qualify for a scholarship without attending a public school for a year or getting a scholarship from a scholarship-granting organization.

**Background:** For the 2011-12 school year, there were about 3,919 scholarship grants worth about \$16.9 M. The maximum number of scholarships for the 2011-12 school year is 7,500 and the maximum number of scholarships for the 2012-13 school year is 15,000.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The bill could reduce the school formula revenue for local schools. Currently, the Choice Scholarship grants are paid from the savings in tuition support since the student attended public schools the year before and are therefore built into the school tuition support projection for CY 2012 and CY 2013. The addition of students into the program who are not included in the tuition support

projections could cause the total distribution for the school formula, Choice Scholarship awards, and the Mitch Daniels Early Graduation Scholarships to exceed the tuition support appropriation. If distributions exceed the appropriation, then distributions to all schools would be proportionately reduced

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Public schools.

**Information Sources:** Department of Education.

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.